

**STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION**

**CITY OF WEST HOLLYWOOD
PLUMMER PARK, COMMUNITY CENTER
ROOMS 5 AND 6
7377 SANTA MONICA BOULEVARD
WEST HOLLYWOOD, CALIFORNIA 90046**

Thursday, August 23, 2012

2:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (12-4437)

Attachments: [Audio](#)

I. CALL TO ORDER

Vice Chair Roderick Burnley called the meeting to order at 2:08 p.m.

II. ROLL CALL

Present: Vice Chair Roderick Burnley
 Board Members Martin Zimmerman, Madeline Roachell,
 Megan Reilly (arrived at 2:19) and Paul Arevalo

Absent: Board Member David Flaks and Chair Daniel Ronnie Cohen

III. SUCCESSOR AGENCY STAFF REPORT

Jonathan Leonard, Project Development Administrator, presented an update on Successor Agency events since the last time the Oversight Board met and mentioned the following items:

- **ROPS 1 and 2 were approved by the Department of Finance on May 31, 2012;**
- **Successor Agency Board approved ROPS 3 and Administrative Budget No. 3 on August 6, 2012;**
- **Successor Agency accepted the assignment from the City of several existing contracts related to the Plummer Park project on August 6, 2012;**
- **Successor Agency approved two contracts on August 6, 2012: 1) for Successor Agency Legal Counsel services; and 2) for audit services which include the Due Diligence Review and the year end audit;**

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- On August 17, 2012 the County Auditor-Controller distributed via email, sent to the State Controller, the Department of Finance, the Successor Agency Staff, and Oversight Board Members, the County's final Agreed Up-On Procedures for the West Hollywood Successor Agency; and
 - On September 20, 2012, the Rosenow Group consultant agency will host a seminar regarding the dissolution of the Agency and the process behind it.

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board.

IV. PUBLIC COMMENT

This time has been set aside for members of the public to address the City of West Hollywood Oversight Board on items within the subject matter jurisdiction of the Board. Although the Board values your comments, under the Brown Act, the Board cannot discuss or take any action on items not listed on the posted agenda. (12-2701)

On motion of Board Member Zimmerman, seconded by Board Member Arevalo unanimously carried, (Board Member Flaks and Chair Cohen being absent) the Board approved to limit the presentations to three (3) minutes each.

The following individuals addressed the Oversight Board for Public Comment:

Sheila Lightfoot, Virginia Gullick, Laura Boccaletti, Stephanie Harker, Rudolph Martin, Robert Bernstein, Chole Ross, Angie Beckett, Jesse Slansky, and Sylvia Blackstone.

Board Member Zimmerman clarified that the Oversight Board does not have any authority about projects that were already in place before the Redevelopment Agency was dissolved, adding the Oversight Board would make sure they are legally binding legitimate obligations of the agency according to legislation. He also stated AB 1484 clarifies that the Oversight Board and Successor Agency do not have a conflict of interest even when some members serve on both entities, and would make sure all communication between Department of Finance and Oversight Board was posted for public access.

Vice Chair Burnley added that to address the issue of appropriateness or value of a project needs to be brought to the Successor Agency's or the West Hollywood City Council's attention.

V. ADMINISTRATIVE MATTERS

1. Recommendation: Approve the minutes from the Special Meetings of May 10, 2012 and May 21, 2012. (12-2493)

On motion of Board Member Reilly, seconded by Board Member Arevalo, duly carried by the following vote, the Oversight Board approved the May 10, and May 21, 2012 Minutes:

Ayes: 5 - Board Members Zimmerman, Roachell, Reilly, Arevalo, and Vice Chair Burnley

Absent: 2 - Board Member Flaks and Chair Cohen

Attachments: [Minutes - May 10, 2012](#)
[Minutes - May 21, 2012](#)

VI. DISCUSSION ITEMS

2. Overview of new deadlines and procedures added to the redevelopment dissolution process by AB 1484. (12-3397)

Jonathan Leonard, Project Development Administrator, presented a Staff report, and a general overview of AB 1484, stating it was a clean-up bill of AB1X 26, and includes the following new procedures:

- Due Diligence Review
- Housing Asset Report
- Non-Housing Real Property Assets
- Increased Department of Finance review of Oversight Board actions.

Mr. Leonard proceeded to outline the process of each new item of AB 1484:

- 1) Due Diligence Review (DDR) determines the obligated balances available to be transferred to taxing entities, through two reviews, the Housing Funds and the Non-Housing Funds, and must be performed by Certified Public Accountant (CPA).

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- 2) Housing Asset review must be completed and submitted to Oversight Board, Auditor-Controller and Department of Finance by October 1, 2012, it must be approved by Oversight Board by October 15, 2012 and submitted to Department of Finance (DOF). The DOF has until November 9, 2012 to complete its review of the Housing DDR and report any findings to the Successor Agency. If the Successor Agency does not agree with DOF's determination, they may request a Meet and Confer with the Department of Finance, a process that allows 30 days for a decision.
 - 3) Non-Housing review follow the same process as the Housing review, but different timelines. The Non-Housing review must be submitted to the Oversight Board, Auditor-Controller and DOF by December 15, 2012, must be approved by the Oversight Board by January 15, 2013, and the DOF has until April 1, 2013 to review for final approval.
 - 4) AB 1484 created new deadlines for all ROPS, intending to provide reviewing agencies more time. The ROPS 3 for period of January 1, 2013 through June 30, 2013, must be submitted to DOF by September 1, 2012. The Successor Agency may request a Meet and Confer process with the DOF if they disagree with their decision.
 - 5) Housing Asset Transfer, of which AB 1484 requires the Oversight Board to approve the transfer of all Housing Assets from the former Redevelopment Agency to the Housing Successor Agency. When the City of West Hollywood elected to become the Successor Agency, on February 1, 2012, those assets were then transferred. Successor Agency was required to complete and submit a Housing Asset report to DOF, which was submitted by required deadline.
 - 6) Increased DOF review of Oversight Board actions, which included lengthening the time DOF, has to review an item, and any action taken by the Oversight Board must have a Resolution attached.

By Common Consent, there being no objection (Board Member Flaks and Chair Cohen being absent), the Oversight Board received and filed the staff report.

Mr. Leonard then presented a Meeting Schedule for discussion and review, suggesting the Regular Meeting for September 27, 2012 be held as a placeholder meeting since no items were scheduled.

After a lengthy discussion, the Oversight Board and Successor Agency staff agreed upon a future meeting schedule, to be held at 2:00 p.m. on the following dates:

- September 27, 2012 meeting to be cancelled
- October 2, 2012 for the Public Hearing or Comment
- October 10, 2012 to discuss and take action
- December 27, 2012 meeting date to be discussed at the November meeting.

On motion of Board Member Roachell, seconded by Board Member Zimmerman, duly carried by the following vote, the Oversight Board approved the recommendations of the meeting schedule:

Ayes: 5 - Board Members Zimmerman, Roachell, Reilly, Arevalo, and Vice Chair Burnley

Absent: 2 - Board Member Flaks and Chair Cohen

Attachments: [Staff Report](#)
[Attachment 1 - Look-Ahead Schedule](#)

3. Update from the subcommittee directed to research potential candidates for Legal Counsel for the Oversight Board. (Continued from the meeting of 5-10-12) (12-2047)

Board and Subcommittee Member Zimmerman presented a verbal report regarding the research for Oversight Board Legal Counsel, naming a few firms that have been investigated to ensure there is no conflict of interest. Board Member Zimmerman stated he would devise a brief invitation and place it on the agenda, in order for the prospective firms to submit their experience and Statement of Qualification, and to be interviewed by the Oversight Board, adding that it would benefit the Oversight Board if the firm chosen had legal expertise with the disposition of assets.

Board and Subcommittee Member Arevalo requested that another Board Member be added to the subcommittee. No volunteers presented themselves.

By Common Consent, there being no objection (Board Member Flaks and Chair Cohen being absent), the Oversight Board accepted the staff report; and instructed the Subcommittee to devise an invitation for prospective law firms to submit their Statement of Qualifications with emphasis on disposition of assets.

VII. RECOMMENDATION

- 4. Recommendation: Hold a public hearing, consider all pertinent testimony, and review, approve, and adopt a resolution approving and memorializing the transfer of housing assets to the City of West Hollywood as the Housing Successor Agency. (12-3737)**

John Leonard, Project Development Administrator, presented a staff report, explaining the background on the Transfer of Housing Assets to the City of West Hollywood as the Housing Successor Agency, adding that the notice of transfer was posted 10 days before the meeting, and the report was submitted to the Department of Finance on August 1, 2012.

On motion of Board Member Zimmerman, seconded by Board Member Reilly, duly carried by the following vote, the Oversight Board adopted "A Resolution of the Oversight Board of the Successor Agency to the West Hollywood Community Development Commission Authorizing the Transfer of the Housing Assets and Functions of the Former Community Development Commission to the City of West Hollywood as the Successor Housing Agency."

Ayes: 5 - Board Members Zimmerman, Roachell, Reilly, Arevalo, and Vice Chair Burnley

Absent: 2 - Board Member Flaks and Chair Cohen

Attachments: [Staff Report](#)
[Attachment 1 - Housing Asset Report](#)
[Attachment 2 - Resolution](#)

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5. Recommendation: Review, approve and adopt a resolution approving the Recognized Obligation Payment Scheduled (ROPS) for the period of January 1, 2013 through June 30, 2013 and Administrative Budget for the period of January 1, 2013 through June 30, 2013. (12-3735)

John Leonard, Project Development Administrator, presented a staff report on the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013 and the Administrative Budget, explaining what the new ROPS format includes the following pages:

- **Primary Contact Information;**
- **Summary;**
- **ROPS, no longer a monthly total but total payments for the six- month period;**
- **Enforceable Obligations; and**
- **Reconciliation, what was actually paid on ROPS 1.**

Mr. Leonard discussed the following line items listed on ROPS 3:

- **Line Item Nos. 1 through 3: Bond Payments, some are due during this ROPS period and some are not, and they are almost identical to ROPS I and II.**
- **Line Item No. 4: City Advancement Reimbursement Loan, paid off during ROPS I.**
- **Line Item No. 5: Housing Project, paid off during ROPS II, but still line item for employee overhead cost.**
- **Line Item No. 6: La Brea Courtyard Project, includes three items, one paid during ROPS I, one for permit financing loan, and one is employee oversight cost.**
- **Line Item No. 7: Disabled Access Improvement and Rehabilitation, in connection with Low & Mod Housing.**
- **Line Item No. 8 – Plummer Park Project and Non-Housing Bonds, similar to previous ROPS, includes redevelopment costs and employee oversight item cost.**

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- **Line Item No. 9 – Remaining pass through payments paid off in previous ROPS.**
 - **Line Item No. 10 – Audit Services for Due Diligence Reviews and Annual Audits, new item to ROPS 3.**
 - **Line Item No. 11 – Writ of Mandate against LAUSD and County of LA, required to make additional pass through payment to LAUSD, and this item is to be determined on the ROPS due to waiting for information from County Auditor-Controller to determine payments.**

Robert Smith, City Attorney, stated in regards to Line Item No. 11, the Successor Agency was hoping they would have the numbers now, but the has not sent in the calculations, and therefore suggests leaving as “to be determined,” and when the Oversight Board reconvenes, hopefully, will have those numbers.

Board Member Zimmerman stated in regards to Line Item No. 11, the was to provide the Successor Agency with a methodology for payment, which has been provided, but that the methodology provided, the LAUSD disputed. Board Member Zimmerman further added that until judgment has been made, this item does not need to be on the ROPS, although it is not harmful to leave it on as a place holder.

- **Line Item No. 12: Successor Agency Administrative Cost Allowance, not originally on the ROPS.**

Board Member Zimmerman stated that the Department of Finance (DOF) had issued clarification pertaining to the Due Diligence Audit services, Line Item No. 10 on ROPS 3 should be part of the Administrative Budget. Mr. Smith stated that this line item falls under the category of staffing on specific obligations, and there were on-going conversations with DOF regarding to this issue, and the City thinks it is better to request it.

Mr. Leonard presented an Amended Summary for the Oversight Board's review, which the amounts on Lines E and F had been changed.

Sheila Lightfoot and Stephanie Harker, residents of West Hollywood, addressed the Oversight Board.

On motion of Board Member Reilly, seconded by Board Member Zimmerman, duly carried by the following vote, the Oversight Board adopted the resolution approving the Recognized Obligation Payment

**Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013,
and the Administrative Budget for the period of January 1, 2013 through
June 30, 2013.**

Ayes: 5 - Board Member Zimmerman, Board Member
Roachell, Board Member Reilly, Board Member
Arevalo and Vice Chair Burnley

Absent: 2 - Board Member Flaks and Chair Cohen

Attachments: [Staff Report](#)
[Attachment 1 - ROPS No. 3](#)
[Attachment 2 - Admin Budget No. 3](#)
[Attachment 3 - Resolution](#)

VIII. MISCELLANEOUS

7. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-3392)

There were none.

9. Adjournment. (12-2842)

The meeting adjourned at 3:35 p.m. The meeting of September 27, 2012 has been cancelled. The following Special Meetings have been scheduled pertaining to the Due Diligence Review:

**Tuesday, October 2, 2012 - Presentation of the Due Diligence Review
and open Public Comment Session**

**Wednesday, October 10, 2012 - Oversight Board to discuss and take
action.**